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KNOWLES ENDORSES \$17 MILLION INCREASE FOR UNIVERSITY
Also Seeks \$7 Million UA Capital Budget for FY03

ANCHORAGE – For the third consecutive year, Gov. Tony Knowles announced today that he will request a \$17 million increase to the University of Alaska (UA) operating budget for Fiscal Year 2003.

"No institution in Alaska is more important in advancing economic development, which ensures Alaskans can prosper and work in good jobs, than the University of Alaska," Knowles said. "A \$17 million investment in the coming year will allow UA to finance new initiatives which continue vitalizing the university. I didn't say 're-vitalize' because our state university is already a vibrant place. There's a buzz about the 'U' and it's a good one."

Knowles made the announcement at the University of Alaska Anchorage Commons with Board of Regent Chair Mike Burns, UA President Mark Hamilton, UAA Chancellor Lee Gorsuch, other Regents, university faculty, staff, students, and supporters present.

The \$17 million requested by the Regents includes initiatives to meet Alaska's employment needs for engineers, health professionals, teachers, and business managers. It puts a major emphasis on attracting and retaining students and improving the technology resources that are so critical to a top-notch academic environment. It also covers the non-discretionary increases for basic expenses such as labor costs, library materials, and facility maintenance.

Knowles said the budget request addresses three important goals he shares with the university:

- Recruiting and retaining Alaska students at Alaska's university;
- Training Alaskans for the highly technical and skilled jobs of the coming decades; and,
- Helping diversify the state economy by building technological capacity.

Knowles noted the workforce development component provides a handsome return on investment. According to the Alaska Department of Labor and Workforce Development, taking just one vocational education class can increase earnings by 20 percent.

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Last year, Knowles asked the Legislature to approve a similar amount; lawmakers ended up funding \$15.6 million. UA's total general fund budget for the current year is \$195.5 million.

Final details on the capital budget are being finished but Knowles will ask the Legislature to approve a number of important projects for the coming year, including:

- \$5.5 million of certificates of participation (a type of bond financing) for high priority safety improvements, deferred maintenance, and renovations for more effective space utilization;
- \$1.5 million for the second phase of replacing the primary computer system funded from the Alaska Postsecondary Education Commission annual dividend;
- Authorization to use federal and other non-state funds for small scale projects statewide; and
- \$450,000 for the Small Business Development Center in Anchorage.

"This additional investment in the university will enable it to continue being a vital partner with the private sector in keeping Alaska's economy healthy," said President Mark Hamilton. "The entire university community thanks Gov. Knowles for his commitment to Alaska's university and for his leadership in helping convince the Legislature to invest in this job-creating institution."

During his remarks, Knowles noted that the university this fall enjoyed a 13 percent increase in first-time, full-time student enrollment. The Alaska Scholars Program, which Knowles proposed and the university has implemented, is keeping Alaska's best and brightest in Alaska. More than 850 scholars are currently enrolled, up almost 300 from last year.

Under the program, the university provides full scholarships to the top 10 percent of Alaska high school graduating classes. An impressive 250 students have elected to claim their scholarships within the one-year eligibility period, returning to Alaska to attend school at a UA campus.

In the area of research, over the past three years more than 300 applied research projects with potential benefits to the Alaska economy were and are being conducted. For every dollar of state money spent on research, an additional \$5.71 comes from federal and other sources.